

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Southern Missouri Gas)	
Company LP's, d/b/a Southern Missouri)	
Natural Gas' Winter Purchased Gas)	<u>File No. GR-2012-0123</u>
Adjustment Filing.)	

**STAFF RECOMMENDATION REGARDING
COMMISSION ORDER DIRECTING ADJUSTMENTS**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its Recommendation Regarding a Commission Order Directing the Company to make certain Actual Cost Adjustments (ACA) states:

1. On October 21, 2011, Southern Missouri Gas Company d/b/a Southern Missouri Natural Gas Company, L.P. (SMNG or Company) of Mountain Grove, Missouri, filed a tariff sheet with a proposed effective date of November 4, 2011.

2. Staff completed its review of this case and in its May 30th pleading and attachment, Staff recommended several adjustments to SMNG's (n/k/a Summit Utilities of Missouri) ACA balances.

3. On July 9, 2012 SMNG filed its Response.

4. SMNG generally agreed with Staff's general Recommendations and has committed to provide Staff with the information Staff requested.

5. SMNG has agreed to reduce its PGA expense by \$5,988 due to a reclassification of line pack as a capital asset; remove Company's Unbilled Revenue/Imbalance adjustment of \$139,246; and has offered an adjustment of \$9,275.80 for capacity release revenues due to its School Transportation tariff.

6. SMNG has also agreed to work with Staff to amend its Missouri School Pilot Program, Transportation Service (a/k/a School Aggregation) tariff no later than the Company's next general rate case to contain provisions similar to those of other Missouri Local Distribution Companies.

WHEREFORE Staff requests the Commission issue its order directing SMNG to:

a. Adjust the balances in its next ACA filing as shown in Table 1, in the attached Appendix A.

b. Meet with Staff to reach agreement on modifications of its School Aggregation Tariff language to contain provisions similar to the School Aggregation Tariffs of other Missouri LDC's.

Respectfully submitted,

/s/ Lera L. Shemwell

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered or transmitted by facsimile or electronic mail to all counsel of record this 20th day of July 2012.

/s/ Lera L. Shemwell

SMNG 2010/2011 ACA, GR-2012-0123

Table 1					
Description (+) Under-recovery (-) Over-recovery	Ending Balances Per Filing	Commission Approved Adjustments prior to 2010-2011 ACA (A)	Staff Adjustments For 2010-2011 ACA		Staff Recommended Ending Balances
Prior ACA Balance 8/31/10	\$252,212	(\$4,346)	\$0		\$247,866
Cost of Gas	\$4,439,882	\$2,790	(\$5,988)	(1)	\$4,436,684
Cost of Transportation	\$1,596,076	(\$8,429)	(\$9,276)	(2)	\$1,578,371
Revenues	(\$5,946,074)	(\$1,515)	\$0		(\$5,947,589)
ACA Approach for Interest Calculation	\$1,864	\$0	\$0		\$1,864
Unbilled Revenue/Imbalances	(\$139,246)	\$0	\$139,246	(3)	\$0
Total ACA Balance 8/31/11	\$204,714	(\$11,500)	\$123,982		\$317,196
<p>A) Order effective March 16, 2012 (thus no adjustment adopted in 2010-2011 ACA)</p> <p>(1) Line Pack – Branson</p> <p>(2) Capacity Release – School Aggregation - Settlement Amount</p> <p>(3) Unbilled Revenue & Transport Imbalances</p>					